FOURTH ANNUAL REPORT • 1981

Peel Non-Profit Housing Corporation

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Peel Non-Profit Housing Corporation
The Regional Municipality of Peel
10 Peel Centre Drive, Brampton
Ontario, Canada

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# Introduction

The Peel Non-Profit Housing Corporation has grown to become one of the largest, most widely recognized municipal housing organizations in the country. Starting with the Knightsbridge Senior Citizens Residence - a 90 unit seniors complex - which opened its doors in Brampton in 1979, the Corporation has gone on to develop a diverse portfolio of non-profit housing for seniors and families of low and moderate income throughout the Region. Housed within each project is a portfolio of units especially designed for the disabled person. At the same time, the Corporation has maintained a cost-effective management approach which poses no burden on the Regional or area municipality tax base.

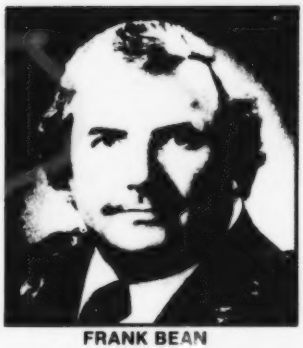
An extensive list of new projects under development and construction is adding substantially to the supply of accommodation provided by the Corporation. In this period of high costs and severe rental shortage, the Corporation finds itself being enouraged to play an increasingly important role in meeting the accommodation needs of the Region. The Corporation is continuing to work in harmony with the private housing sector in meeting these needs, where the private sector is unable to produce new low cost accommodation.

The Peel Non-Profit Housing Corporation, through its elected Board of Directors, is aware of the need to grow in an orderly and controlled fashion since the end product is not only to build to meet need but also to enrich the quality of life of the people being served. The following corporate objectives define Peel's approach to Social Housing:

- *To avoid any dollar impact on the property tax base by recovering all Social Housing expenditures from the Peel Non-Profit Housing Corporation.*
- *To provide a highly responsible and effective service through the development, construction and management of an affordable housing stock with no cost being assigned to the local tax base.*
- *To achieve the most cost-effective service by managing resources effectively and utilizing wherever feasible existing Regional resources recognizing that this cost must be fully recovered from the Housing Corporation.*
- *To make the best use of external resources including senior government, private sector and the voluntary sector, to provide assisted housing to persons with special needs.*
- *To strengthen public understanding of the responsibilities and policies of the Department and to facilitate access to local government services and decision-making processes so that the Corporation may act as a community resource to the development of Peel.*
- *To effectively control and eliminate any operating deficit of the Housing Corporation by making full use of the revenue sources available from both the development and the operational activities of the Corporation.*

This Annual Report has been prepared to provide a clear picture of the progress made in 1981 toward meeting the above objectives. In addition to an overview of the housing market in Peel the report reviews existing and future projects of the Peel Non-Profit Housing Corporation and assesses the organization's progress in meeting identified social housing targets. The structure of the Corporation is outlined and portfolio operations are described. The Report concludes with a discussion of future housing initiatives in Peel Region.

The Peel Non-Profit Housing Corporation looks forward to a continuing role in meeting the accommodation needs of the Region in the coming years.



FRANK BEAN

DAVE COOK

HAROLD KENNEDY

# 1981
# Board of Directors
# Peel Non-Profit Housing Corporation

WALTER MITCHELL

NANCY PORTEOUS

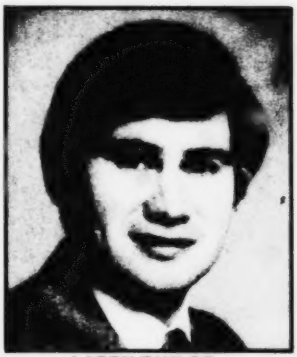
PETER ROBERTSON

MARGARET MARLAND

KEITH McCREARY
Vice-President

FRANK McKECHNIE

The Board of Directors of the Peel Non-Profit Housing Corporation are elected members of Peel Regional Council who also serve as members of the Social Services Committee. Larry Taylor, President of the Peel Non-Profit Housing Corporation during 1981, also served as Chairman of the Region's Social Services Committee in that year.



LARRY TAYLOR
President

RUDY SKJARUM

TED SOUTHORN

KEN WHILLANS

# The Market

## PRODUCTION TRENDS

Housing construction starts in Ontario plunged severely in the past year to 38,206 units compared to much higher levels achieved in recent years: e.g., 71,700 starts in 1978 and 56,900 in 1979. When one looks back to the years 1972 and 1973 when there were over 100,000 starts in each year then clearly we can understand today's economy in light of yesterday's activity. Several factors including escalating interest rates, declining real disposable income, uncertain employment prospects and decreasing rates of population growth and household formation were responsible for this situation.

While Peel faced many of these underlying economic conditions, its housing market fared better than most areas of the Province in 1981. Total starts in the Region in 1981 reached 9,023, an increase of 37.3% over 1980. Completions totalled 9,243, an increase of 2,632 (39.8%) from 1980. With 6,100 units under construction at the end of 1981 and with 2,800 building permits being issued in November and December, 1981 then 1982 shows a commitment of at least 8,900 additional dwellings in the Region.

The rise and fall of housing starts, be they rental or sale, are no doubt influenced by changes in goverment policy. The termination of the Multiple Unit Residential Building (M.U.R.B.) program at the end of 1981 was particularly instrumental in encouraging a strong upswing in the rental housing field in Peel in 1981. Total rental starts in 1981 for the Region reached 3,514 units, or 38.9% of all new housing starts in Peel. This represented an increase of 58.4% over the 1980 total of 2,218. Despite this increased activity, rental absorptions continued at a strong pace, leaving Mississauga and Brampton with vacancy rates consistently in the 0.3% range.

In general, the social housing sector experienced a decline from past production levels during 1981. The termination of the Assisted Rental Program and the Assisted Home Ownership Program reduced the private sector's ability to produce a variety of units for low and moderate income households. However, non-profit groups (e.g., co-ops, private non-profits and municipal non-profit) were quick to attempt to fill the gap providing a strong pace of development, completing 670 rental units for low and moderate income households. These units represented 21.3% of the 3,138 rental dwellings completed in Peel during 1981. The Peel Non-Profit Housing Corporation was responsible for 353 of these units, or about 11.2% of total rental completions in the Region in 1981.

## TABLE ONE
## RESIDENTIAL DWELLING STARTS, REGION OF PEEL, 1980 AND 1981

| | Mississauga | | Brampton | | Caledon | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 1980 | 1981 | 1980 | 1981 | 1980 | 1981 | 1980 | 1981 |
| **Ownership** | | | | | | | | |
| Single | 1,436 | 2,631 | 1,051 | 1,171 | 161 | 199 | 2,648 | 4,001 |
| Semi | 930 | 958 | 608 | 254 | 6 | 0 | 1,544 | 1,212 |
| Freehold Row | 111 | 284 | 0 | 12 | 0 | 0 | 111 | 296 |
| Condo Row | 51 | 0 | 0 | 0 | 0 | 0 | 51 | 0 |
| Condo Apt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2,528 | 3,873 | 1,659 | 1,437 | 167 | 199 | 4,354 | 5,509 |
| **Rental** | | | | | | | | |
| Row | 264 | 653 | 0 | 206 | 0 | 0 | 264 | 859 |
| Apartment | 1,399 | 1,165 | 555 | 1,488 | 0 | 2 | 1,954 | 2,655 |
| Total | 1,663 | 1,818 | 555 | 1,694 | 0 | 2 | 2,218 | 3,514 |
| **Total Starts** | 4,191 | 5,691 | 2,214 | 3,131 | 167 | 201 | 6,572 | 9,023 |

**Source:** Canada Mortgage and Housing Corporation (CMHC).

# HOUSING PRICES

## SALES

The price of dwellings in Peel Region continues to rise, although average increases have remained below the 1981 inflation rate of approximately 12%.

During the 1980-1981 period, the price of new single detached units in the Region rose an average of 8-9%, while semi-detached units increased only 4-5%. Resale prices generally were more stable, with increases ranging from 0.5% for semi-detached units to 7% for singles. Data on new apartment condominimum prices show wider variation, ranging from a decline of 7.9% in Brampton to an increase of 78.1% in Mississauga. This condominium data must be viewed with extreme caution, as small sample sizes and variable project characteristic limit the accuracy of year-to-year comparisons.

Coupled with increasing house prices was a dramatic rise in interest rates. The prime conventional mortage rate climbed from about 16% early in 1981 to an all-time high of 21.5% by mid-year. The effect was a substantial increase in both monthly carrying costs of an average dwelling and the construction costs of new housing. Following the mid-year interest rate increases, housing activity slowed considerably in the Region and throughout the entire country.

## RENTAL

The proportion of the population experiencing affordability problems rose significantly over the course of the year, thereby increasing the demand for rental accommodation. The persistence of these problems in 1982 is expected to continue to place great pressures on the rental market in Peel.

In most housing markets, rental rates tend to escalate when there is rapid absorption of available units and slow rental development activity. To prevent rapid increases in rental rates the Provincial Government introduced rent review legislation in 1976. This legislation was only applicable to units constructed prior to 1976 or having a rent level less than $750. Because of Peel's rapid growth subsequent to 1976 only 65% of the Region's multiple rental units in place in 1981 (27,847 of 43,136) were governed by this legislation.

As shown in Table Two, the overall increase in rental rates during the 1980-1981 period remained within the 6%-7% level in Brampton and Caledon. The rental market in Mississauga, however, showed higher rental increases, ranging from 11.8% for a three bedroom unit to 18.8% for a bachelor. Table Two also shows that the gap between rates in Mississauga and for Metro Toronto is rapidly narrowing.

As Mississauga rental stock in 1981 accounted for approximately 77% of that of Peel Region, it is clear that Regional rental rates will soon be similar to those charged in Metro. Current average rental rates in newly constructed buildings are as follows:

1 bedroom unit—$520-$575
2 bedroom unit—$570-$650
3 bedroom unit—$600-$720

The above rates are approximately 40% to 60% higher than the average apartment rental rates noted in Table Two. Consequently, Regional residents will find it more difficult to afford rental accommodation if the vacancy rate remains at less than 1%.

While the issue of rent controls has been raised many times during the past several years with much attention being given to its removal, great care needs to be taken to ensure that the rents on existing stock are sufficient to allow a fair profit to the owner while still providing an affordable product to the consumer.

## TABLE TWO
## AVERAGE APARTMENT RENTAL RATES IN PEEL REGION BY AREA MUNICIPALITY AND FOR METRO TORONTO - OCTOBER 1980 AND OCTOBER 1981 ($ PER MONTH)

| | Bachelor | | | One Bedroom | | | Two Bedroom | | |
|---|---|---|---|---|---|---|---|---|---|
| **Municipality** | **Oct. 1980** | **Oct. 1981** | **% Chng.** | **Oct. 1980** | **Oct. 1981** | **% Chng.** | **Oct. 1980** | **Oct. 1981** | **% Chng.** |
| Brampton | 210 | 226 | 7.6 | 270 | 289 | 7.0 | 321 | 343 | 6.9 |
| Caledon | 190 | 202 | 6.3 | 270 | 278 | 3.0 | 290 | 303 | 4.5 |
| Mississauga | 221 | 262 | 18.6 | 281 | 319 | 13.5 | 333 | 379 | 13.8 |
| Metro Toronto | 245 | 271 | 10.6 | 294 | 321 | 9.2 | 345 | 376 | 9.0 |

| | Three Bedroom | | | Four Bedroom | | |
|---|---|---|---|---|---|---|
| **Municipality** | **Oct. 1980** | **Oct. 1981** | **% Chng.** | **Oct. 1980** | **Oct. 1981** | **% Chng.** |
| Brampton | 350 | 376 | 7.4 | N.A. | 410 | — |
| Caledon | N.A. | N.A. | — | N.A. | N.A. | |
| Mississauga | 396 | 442 | 11.6 | 491 | 490 | -0.2 |
| Metro Toronto | 406 | 440 | 8.4 | 502 | 406 | -19.1 |

Source: CMHC, **Rental Rates of Occupied and Vacant Units,** October, 1981.

NOTE: The above table illustrates the ranges of rentals being charged for a sample of privately initiated apartment structures visited during the **Apartment Vacancy Survey.** Since no attempt has been made to adjust to the total rental stock, the figures shown are not necessarily representative of the private rental market as a whole.

N.A. — Not Available.

# HOUSING DEMAND

In 1981 the demand for housing in Peel was greater than in most parts of the Province. Table Three shows that absorptions totalled 9,933 units in 1981, up 23.3% from the 8,059 units absorbed in 1980. Absorption of rental units was particularly strong, rising 27.3% above 1980 levels.

The heavy rental absorption contributed to a great extent to the persistence of vacancy rates below 1% in Mississauga and Brampton in 1981. As this rate of absorption is expected to continue in light of ownership affordability difficulties and demographic trends (more non-family households, aging of the population), a substantial increase in rental accommodation will be required in 1982 and beyond to meet Regional housing needs.

In most housing markets, a minimum of 3% vacancy is required to permit adequate choice and mobility within the market. The Region of Peel, with rental stock of 43,136 units, should provide approximately 1,300 vacant rental dwellings to achieve this desired level. Because current vacancy rates are only 0.3%, a shortfall of some 1,200 units exists. To overcome this shortfall and meet absorption requirements, a total of 4,000 new rental units are required in the Region in 1982 to meet growth and to provide a fair vacancy level which allows reasonable mobility within the greater Peel community. If we are to meet anywhere near the demand exhibited in the waiting list of the Peel Regional Housing Authority and Peel Non-Profit Housing Corporation, then most of these will be demanded by low and moderate income households unable to compete in the ownership market.

Regional assisted housing needs have been estimated at approximately 12,000 units (including both lower end of market and rent-geared-to-income units provided in non-profit housing). Given the construction activity of the non-profit sector in Peel (670 units in 1981), a large portion of that demand will remain unsatisfied for many years. In order to meet these needs non-profit organizations of all types must remain strongly active in Peel. Moreover, it is essential that senior government initiatives address the issues faced by the private sector in producing adequate and affordable shelter for persons seeking rental accommodation.

TABLE THREE

**UNIT ABSORPTIONS, REGION OF PEEL, 1980 AND 1981**

| Type | Mississauga | | Brampton | | Caledon | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 1980 | 1981 | 1980 | 1981 | 1980 | 1981 | 1980 | 1981 |
| **Ownership** | | | | | | | | |
| Single | 1,155 | 2,378 | 1,199 | 1,098 | 209 | 177 | 2,563 | 3,653 |
| Semi | 838 | 1,388 | 784 | 697 | 0 | 6 | 1,622 | 2,091 |
| Freehold Row | 256 | 424 | 137 | 26 | 0 | 0 | 393 | 450 |
| Condo Row | 611 | 341 | 234 | 232 | 0 | 0 | 845 | 573 |
| Condo Apt. | 395 | 432 | 153 | 75 | 0 | 0 | 548 | 507 |
| Total | 3,255 | 4,963 | 2,507 | 2,128 | 209 | 183 | 5,971 | 7,274 |
| **Rental** | | | | | | | | |
| Row | 103 | 436 | 258 | 39 | 0 | 0 | 361 | 475 |
| Apartment | 1,542 | 1,692 | 185 | 490 | 0 | 2 | 1,727 | 2,184 |
| Total | 1,645 | 2,128 | 443 | 529 | 0 | 2 | 2,088 | 2,659 |
| **Total Absorptions** | 4,900 | 7,091 | 2,950 | 2,657 | 209 | 185 | 8,059 | 9,933 |

**Source:** CMHC

# Project Review

Through the provincial-municipal non-profit housing program, the private sector is encouraged to be the major vehicle for the development of social housing in the Region of Peel. The Peel Non-Profit Housing Corporation, through the Peel Planning Department, undertakes an annual review of housing requirements in co-operation with each Area Municipality. This review, and subsequent adjustments of social housing targets, directly affects both the participation of private sector housing producers and the type of housing constructed.

In the past, the Corporation's family housing units have been developed through the use of a "proposal call" technique. Builders/developers are invited to submit proposals for the design and construction of a specified number of rental units which are to be owned by the housing Corporation. The successful proponents work with staff to meet the various design requirements of the Corporation, the municipal agencies and the Provincial government. Following Provincial funding approval, the land is transferred to Peel Non-Profit Housing Corporation and construction payments are authorized on a monthly basis.

The Corporation's senior citizen apartments, conversely, have been designed by architects commissioned by the Board of Directors and constructed by means of the "tender call" technique. In this manner, Corporation staff have more control of the process of site selection, site planning, rezoning, and detailed design.

At present the portfolio of the Peel Non-Profit Housing Corporation consists of thirteen projects — five completed and occupied, four under construction and four in the planning stage. A brief description of each project is provided below:

## COMPLETED AND OCCUPIED

**KNIGHTSBRIDGE SENIOR CITIZENS' RESIDENCE:**

(90 Seniors Units, 1 Knightsbridge Road, Brampton)

Opened in 1979, the Corporation's first project is a three-storey structure consisting of 90 one bedroom units built around two landscaped courtyards with glass enclosed corridors linking the apartments on the second and third floors.

**ARCADIA GLEN:**

(81 Family Units, 6025 and 6045 Glen Erin Drive, Mississauga)

Peel Non-Profit's first family development was completed in 1981. Linked by an enclosed walkway the two three-storey buildings contain 81 two and three bedroom apartments.

**SPRINGMILL TERRACE:**

(131 Family Units, 3280 and 3330 South Millway, Mississauga)

This high profile development along Erin Mills Parkway was also completed in 1981. The 131 townhouses display an interesting blend of exterior facades and cannot be differentiated from a private sector rental project which borders this complex.

**MIDDLETON WAY:**

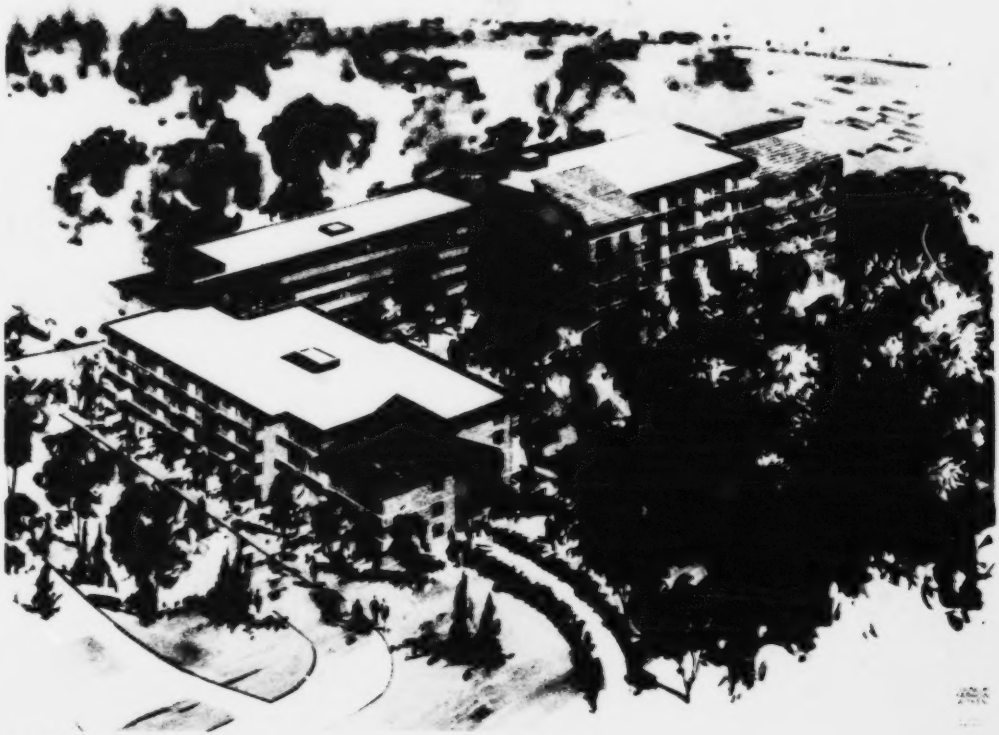
(153 Family Units, 1-153 Middleton Way, Brampton)

Adjacent to parkland with a large children's playground, this 153 unit townhouse development was occupied over a period of months during the latter part of 1981 and early 1982.

**SOUTH COMMON COURT:**

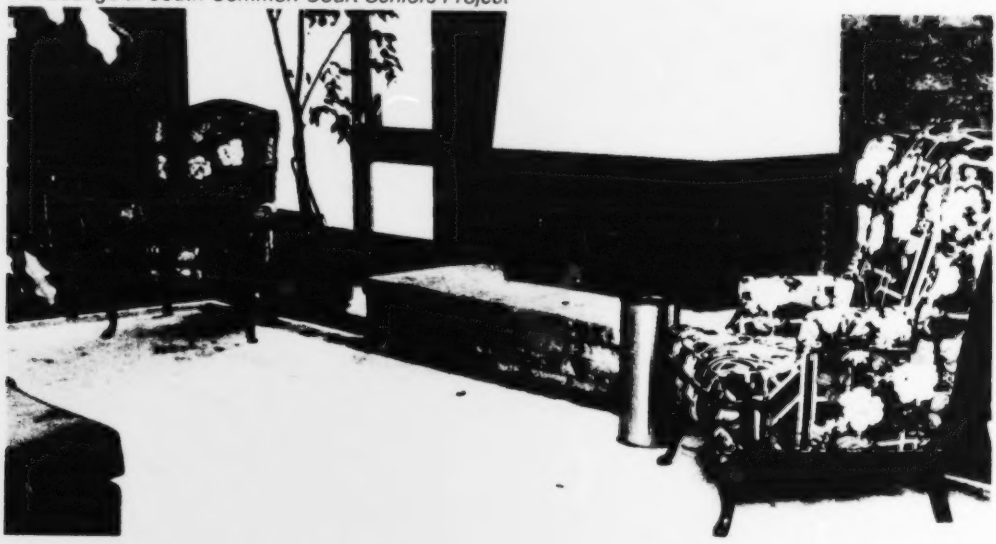
(140 Seniors Units, 2250 South Millway, Mississauga)

This 140-unit senior citizens' building occupies a prominent site across from the South Common Mall in Erin Mills. Opened in late 1981 the building features a main floor lounge and greenhouse overlooking a landscaped courtyard and a naturally wooded lot.



*South Common*

*The Lounge at South Common Court Seniors Project*



# UNDER CONTRUCTION

**RATHBURN PLACE:**

(125 Family Units, 385 Rathburn Road, Mississauga)

A complex of three buildings rising to three storeys, Rathburn Place will consist of a total of 125 units. A feature of the project is a separate entrance and laundry room for each 12 apartments.

**RILEY COURT:**

(146 Family Units, 880 Riley Court, Mississauga)

From a base of two-storey units with ground level entrance, this project will rise to eight storeys with a total of 146 apartments. All one and two bedroom apartments feature sunrooms.

**RIVERVIEW TERRACE:**

(53 Seniors Units, 121 Glasgow Road, Bolton (Caledon)

Located against the side of a hill with a southern exposure the 53 unit senior citizens' building has been designated to maximize energy efficiency and to meet a need in rural Peel.

**MASON'S LANDING:**

(150 Family Units, 2660 Aquitaine Avenue, Mississauga)

When construction is completed, this 150 unit project, suted next to Lake Aquitaine in Meadowvale, will provide a blend of townhouses and three-storey apartments arranged around a landscaped court.

*Riley Court*

*Riverview Terrace*

*Mason's Landing*

# PLANNING STAGE

**HILLSIDE PARK:**

(128 Seniors Units)

Planned for the intersection of Truscott and Seagull Drives in Mississauga, the 128 unit senior citizens' apartment complex will occupy a corner of Hillside Park. Prominent glazed lounge areas on each floor link the four and six-storey structures.

**BRAMPTON COURTHOUSE:**

(100 Family Units)

Approximately 100 low-rise family apartments are planned for land owned by the Region of Peel adjacent to the new Courthouse in Brampton.

**PARK ESTATES AND MANORBRIDGE:**

(300 Family and Seniors Units)

These non-profit developments are planned for the lands owned by the Region of Peel at Peel Manor Home for the Aged in Brampton. Consisting mainly of senior citizen apartments, these projects will create a retirement community featuring ample open space.

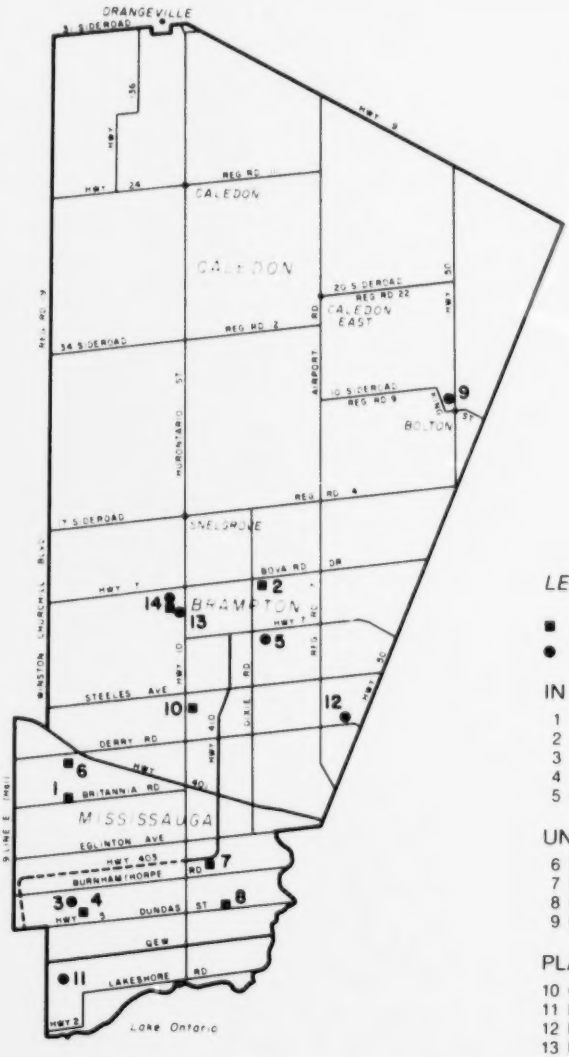
**MALTON:**

(140 Family and Seniors Units)

A non-profit housing development is planned for the Malton area of Mississauga, and the site selection process is currently underway.

These projects totalling over 1700 units under operation, development or planning, represent the Corporation's management and development portfolio in 1981. All projects involve the construction of new units through either the "proposal call" or "tender call" technique. In the future, other building approached, including the rehabilitation and redevelopment of existing structures, will be considered and may be adopted. It is hoped that continuing procurement flexibility will allow staff to complement the Official Plan policies of the Area Municipalities as well as to seek out suitable living environments for family and senior households. In this regard, it should be noted that the Corporation will continue its preference for small-scale projects, and for projects which maximize the number of ground level units.

# PEEL NON-PROFIT HOUSING CORPORATION PROJECTS




*LEGEND*

- ■ FAMILY HOUSING
- ● SENIOR CITIZEN HOUSING

## IN OPERATION

1 ARCADIA GLEN
2 MIDDLETON WAY
3 SOUTH COMMON COURT
4 SPRINGMILL TERRACE
5 KNIGHTSBRIDGE

## UNDER CONSTRUCTION

6 MASON'S LANDING
7 RATHBURN PLACE
8 RILEY COURT
9 RIVERVIEW TERRACE

## PLANNING

10 COURTHOUSE
11 HILLSIDE PARK
12 MALTON
13 MANORBRIDGE
14 PARK ESTATES

# Target Review

Housing targets for the Peel Non-Profit Housing Corporation are established annually by the Board in conjunction with the Region's Planning Department and the Region of Peel Housing Task Force.

The major activity of the Region's Housing Task Force, established in 1975 to prepare the housing policy statement for the Region, was the assessment of housing needs in Peel. Several major indicators were used to measure the requirements of moderate and low income renters. They included: population data; vacancy rates; private sector production; shelter shortfall data; and rent-geared-to-income waiting lists. In 1978 the Task Force released a report which identified a potential need for 425 municipal non-profit housing starts annually.

In a 1979 report entitled "On Target for the 80's", the Corporation adopted a production target of 2,125 units for the five year period 1979-1983, based on the recommendations of the Housing Task Force. This initial five year plan constituted the basis of the Corporation's development activities during its initial years.

As of the end of 1981, the Corporation is well on its way to meeting the original five year production level adopted in 1979. Adjustments made along the way, and approved annually by the Board of Directors, have resulted in an increased emphasis on the production of family units, particularly in the City of Mississauga. This shift is in response to the identified need for substantial levels of this type of accommodation in Mississauga. This is due mainly to the inability of the private sector to provide these rental units because of the high interest rates and the termination of the senior government assistance programs previously mentioned.

Table Four indicates that projects in the system by the end of 1981 slightly exceed the targets set for the Corporation illustrating the success of Peel Non-Profit Housing Corporation in meeting established production levels by the end of 1983.

Table Five displays recently-adjusted target "starts" which reflect increasing levels of need as identified in the **Study of Non-Profit Housing** commissioned in 1981 by the Province of Ontario. This report recommended that 800 units per year over a three year period could be started by the Peel Non-Profit Housing Corporation with no danger of providing an oversupply of rental housing accommodation or competing with the private sector.

It is anticipated that the 2,505 units listed on Table Five will come on stream by the end of 1985, thus providing the base for the Corporation's multi-year targets to the mid-1980's.

It should be recognized that the Peel Non-Profit Housing Corporation is unable to meet the needs of all low and moderate income seniors and families in Peel. However, the Corporation has adopted a production strategy, which enables it to develop a manageable portfolio to address those in greatest need of accommodation.

The Corporation also recognizes that the private sector must continue to be the major force in the development of all housing types in the Region of Peel. We note that the private sector, in fact, was responsible for over 90% of all accommodation developed in Peel in 1981.

With financial assistance from government, many of the requirements for moderate and low income housing can be met by the private sector. Such a role for the private sector is detailed in the Region's Housing Policy Statement. Indeed, in the area of development and construction, social housing sponsors rely heavily on the expertise of the private sector.

By adopting a housing policy and creating the Peel Non-Profit Housing Corporation, the Region of Peel has not only recognized the

need for moderate rent and rent-geared-to-income housing but has also provided a means to help meet that need. The private sector is being counted upon to contribute heavily in this area as well.

Acknowledging the role of area municipalities in administering development and construction standards within their boundaries, the Peel Non-Profit Housing Corporation is developing its housing plans in close co-operation with the municipalities and within their building policy guidelines. The Corporation looks to continued support from these municipalities in achieving identified targets.

TABLE FOUR

**UNIT PORTFOLIO AS OF DECEMBER 31, 1981***
**PEEL NON-PROFIT HOUSING CORPORATION**

| | Operation | Construction | Development | Initial Planning | Total |
|---|---|---|---|---|---|
| Mississauga | | | | | |
| Senior | 140 | — | 130 | 80 | 350 |
| Family | 212 | 421 | — | 450 | 1,083 |
| TOTAL | 352 | 421 | 130 | 530 | 1,433 |
| Brampton | | | | | |
| Senior | 90 | — | 270 | — | 360 |
| Family | 153 | — | 30 | 250 | 433 |
| TOTAL | 243 | — | 300 | 250 | 793 |
| Caledon | | | | | |
| Senior | — | 52 | — | — | 52 |
| Family | — | — | — | 50 | 50 |
| TOTAL | — | 52 | — | 50 | 102 |
| TOTALS | 595 | 473 | 430 | 830 | 2,328 |

*For completion by the end of 1983. **Source:** Peel Non-Profit Housing Corporation.

TABLE FIVE

**1983 - 1985 PROPOSED UNIT PRODUCTION TARGETS (STARTS)**
**PEEL NON-PROFIT HOUSING CORPORATION**

| | 1983 | 1984 | 1985 | Total |
|---|---|---|---|---|
| Mississauga | | | | |
| Senior | 130 | 80 | 120 | 330 |
| Family | 450 | 450 | 450 | 1,350 |
| TOTAL | 580 | 530 | 570 | 1,680 |
| Brampton | | | | |
| Senior | 180 | 90 | — | 270 |
| Family | 180 | 150 | 150 | 480 |
| TOTAL | 360 | 240 | 150 | 750 |
| Caledon | | | | |
| Senior | — | 25 | — | 25 |
| Family | — | 50 | — | 50 |
| TOTAL | — | 75 | — | 75 |
| TOTAL UNITS | 940 | 845 | 720 | 2,505 |

**Source:** Peel Non-Profit Housing Corporation

# Portfolio Management

## PORTFOLIO OVERVIEW

As noted earlier, five projects of the Peel Non-Profit Housing Corporation are occupied and in full operation — the Knightsbridge Senior Citizens' Residence, Arcadia Glen, Springmill Terrace, South Common Court and Middleton Way.

Table Six indicates that these five projects consist of 595 units — 230 senior citizen and 365 family. A total of 115 senior citizen units and 91 family units are rented on a geared-to-income basis, with occupants paying 25% of gross monthly income toward rent. This allocation is consistent with program guidelines, which permit up to one-quarter of all units in family projects and up to one-half of all units in senior citizen projects to be allocated on a rent-geared-to-income basis.

The remaining 389 units (115 senior citizen and 274 family) in the portfolio are rented on a geared-to-market basis. Tenants in these units pay rents which are set in line with the low end of the private market for accommodation similar to that of the non-profit project. Within the portfolio, 32 units (5% of the total supply) have been specially designed to accommodate physically disabled persons in wheelchairs.

TABLE SIX

**PEEL NON-PROFIT HOUSING CORPORATION**
**UNITS UNDER OPERATION - 1981**

| Project Name | Year Operations Commenced | Project Type | Municipality and Ward | Units-Rent Geared to Income (Maximum) | Units-Rent Geared to Market | Total Units |
|---|---|---|---|---|---|---|
| Knightsbridge Senior Citizens Residence | 1979 | Senior | Brampton Ward 8 | 45 | 45 | 90 |
| Arcadia Glen | 1981 | Family | Mississauga Ward 9 | 20 | 61 | 81 |
| Springmill Terrace | 1981 | Family | Mississauga Ward 8 | 33 | 98 | 131 |
| Middleton Way | 1981 | Family | Brampton Ward 7 | 38 | 115 | 153 |
| South Common Court | 1981 | Senior | Mississauga Ward 8 | 70 | 70 | 140 |
| TOTALS | | | | 206 | 389 | 595 |

**Source:** Peel Non-Profit Housing Corporation

# MANAGEMENT SYSTEMS

Since the Peel Non-Profit Housing Corporation began to accept applications for housing in 1979, the number of interested households has grown steadily. At year-end 1981, 1,504 active applications were on file. This number is seen to be increasing by 120 to 150 a month.

Even before the construction of the first project is was clear that demand would exceed supply of units. Subsequently, in 1978 a system was developed to document and establish the priority of applicants based on social, financial, and medical needs as well as date of application. This manually-based system has remained intact to the present.

However, the large demand for units coupled with the increasing size of the portfolio gave rise in the past years to the decision to convert from a manual to a computer-based system.

Three major requirements of the system were identified:

(1) The management of specific social and financial data on all applicants to aid in the selection of tenants;

(2) The management of specific information pertaining to tenants occupying each unit within the portfolio, in order to minimize vacancies and arrears;

(3) The ability to report information on an ad hoc basis as a planning tool.

After careful examination of several systems, it was deemed that no existing system was capable of meeting these requirements. It was decided to develop a system "in-house". Subsequently, during 1981 a computer-based system was designed by a variety of Regional staff, working in conjunction with Finance Department personnel. Conversion to the computer-based system will begin early in 1982, with the system fully operational by the fall of 1982.

# TENANT PROFILE

The major objective of the provincial-municipal non-profit program is to provide adequate affordable housing to persons of low and moderate incomes. Based on this objective the Peel Non-Profit Housing Corporation has sought to allocate units in accordance with the following principles:

- **Rent-Geared-to-Income (R.G.I.) Units**

  R.G.I. units shall be allocated to those households which are determined to be in the greatest social, financial and medical need. This principle is consistent with overall program guidelines as established by the Province.

- **Rent-Geared-to-Market (R.G.M.) Units**

  The municipal non-profit housing program guidelines are not specific in setting out who should be housed in the rent-geared-to-market portion of the project. The Provincial policy manual states only that there are no special requirements of eligibility for the market rent component. However, as a general requirement the owner is to give preference to persons of "low or modest income" (Triparite Agreement Schedule "B"). Thus, it is the responsibility of the non-profit corporation to determine a target group for the R.G.M. units and develop appropriate procedures for filling these units.

R.G.M. units in the Peel Non-Profit Housing Corporation portfolio are allocated in accordance with the following objectives:

(a) **R.G.M. units should be rented to households for whom appropriate and affordable accommodation is not available on the private rental market.**

This objective reinforces the principle that non-profit housing should not compete with the private sector. It also reflects the fact that households in the middle income ranges should not be excluded from the program

if the private sector does not meet their needs.

(b) **Within the target group defined above, a continuum of income levels should exist between R.G.I. and R.G.M. levels.**

In other words, a large income gap should not exist between those in the geared-to-income units and those paying the fixed low-end-of-market rent. A continuum of incomes provides for a more positive social mix within the project.

(c) **Ideally, persons occupying the R.G.M. units should pay between 25%-35% of their incomes to rent.**

Therefore, persons should not be financially over-extended to the R.G.M. units, nor should they pay too small a proportion of their income to rent.

**How successfully is the Peel Non-Profit Housing Corporation meeting its objectives?**

Tables Seven and Eight provide income information for Peel Non-Profit Housing Corporation tenants. These tables indicate that those with the lowest income are being housed in R.G.I. units. Specifically, 92.3% of seniors housed in R.G.I. units have annual incomes less that $9,999. In the case of families, 82.2% of all R.G.I. renters are earning $9,999 per year or less. These households pay 25% of their gross monthly income towards rent.

Table Seven indicates that those senior citizens renting R.G.M. units are generally of moderate income. Specifically, 60% of senior citizen R.G.M. renters have income in the $15,000 range with a further 16% having incomes between $15,000 and $20,000 per year. Less than 7% of the senior citizen tenants have incomes in excess of $20,000. Therefore, a continuum of incomes can be identified between senior citizen R.G.I. and R.G.M. renters.

In the case of family R.G.M. renters, there is a much wider range of incomes. This reflects the shortage of private mid-price rental accommodation. The majority of family R.G.M. units (70.4%) are in the low-to-moderate income range ($10,000 to $25,000) with a further 22% earning a total family income of less than $35,000 per year.

TABLE SEVEN

**PEEL NON-PROFIT HOUSING CORPORATION**
**SENIOR CITIZENS INCOMES**
**PERCENTAGES IN SPECIFIED INCOME CLASSES**
**(DECEMBER 1981)**

| Annual Income $ | No. R.G.I. | % R.G.I. | No. R.G.M. | % R.G.M. |
|---|---|---|---|---|
| 0 - 4,999 | 30 | 28.8 | 0 | 0 |
| 5,000 - 9,999 | 66 | 63.5 | 17 | 16.3 |
| 10,000 - 14,999 | 8 | 7.7 | 63 | 60.6 |
| 15,000 - 19,999 | 0 | 0 | 17 | 16.3 |
| 20,000 - 24,999 | 0 | 0 | 5 | 4.8 |
| 25,000 - 29,999 | 0 | 0 | 0 | 0 |
| 30,000 - 34,999 | 0 | 0 | 1 | 1 |
| 35,000 - 39,999 | 0 | 0 | 1 | 1 |
| 40,000 - 44,999 | 0 | 0 | 0 | 0 |
| 45,000 - + | 0 | 0 | 0 | 0 |
| TOTALS | 104 | 100 | 104 | 100 |

**Source:** Peel Non-Profit Housing Corporation

TABLE EIGHT

**PEEL NON-PROFIT HOUSING CORPORATION**
**FAMILY INCOMES**
**PERCENTAGES IN SPECIFIED INCOME CLASSES**
**(DECEMBER 1981)**

| Annual Income $ | No. R.G.I. | % R.G.I. | No. R.G.M. | % R.G.M. |
|---|---|---|---|---|
| 0 - 4,999 | 9 | 10.7 | 0 | 0 |
| 5,000 - 9,999 | 60 | 71.5 | 2 | 0.8 |
| 10,000 - 14,999 | 14 | 16.7 | 21 | 7.8 |
| 15,000 - 19,999 | 1 | .2 | 93 | 34.5 |
| 20,000 - 24,999 | 0 | 0 | 76 | 28.1 |
| 25,000 - 29,999 | 0 | 0 | 32 | 11.8 |
| 30,000 - 34,999 | 0 | 0 | 27 | 10.0 |
| 35,000 - 39,999 | 0 | 0 | 12 | 4.4 |
| 40,000 - 45,000 | 0 | 0 | 6 | 2.2 |
| 45,000 - + | 0 | 0 | 1 | 0.4 |
| TOTALS | 84 | 100 | 270 | 100 |

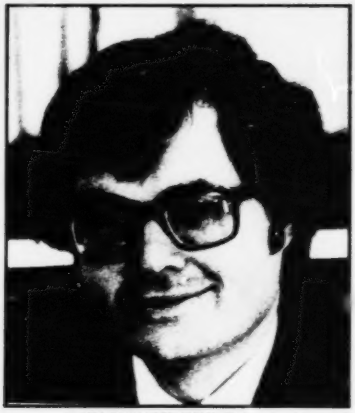
**Source:** Peel Non-Profit Housing Corporation

# Corporate Structure and Organization

## OFFICERS OF PEEL NON-PROFIT HOUSING CORPORATION

Officers of the Corporation are appointed by the Board of Directors as specified in the Company's Charter and By-Laws.

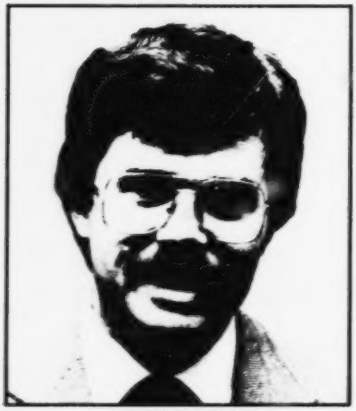
| | |
|---|---|
| Richard Frost (Regional Chief Administrative Officer) | General Manager |
| Peter Marshall (Regional Treasurer and Commissioner of Finance) | Treasurer |
| James Dundas, Q.C. (Regional Solicitor) | Solicitor |
| Larry Button (Regional Clerk) | Secretary |



RICHARD FROST

PETER MARSHALL

JAMES DUNDAS



LARRY BUTTON

The development, construction and management of projects for the Corporation are carried out within the framework of the Peel Department of Social Services under the direction of the Commissioner, James Crozier. The day-to-day operations of the Housing Division are maintained under its Director, Peter Smith. Close support in the planning of targets is provided by the Peel Planning Department under its Commissioner Peter Allan.

In 1979 a senior management advisory team was appointed by the Directors. This team meets regularly to review overall program direction and to advise the department on the preparation of recommendations to be submitted to the Board for approval. The senior advisory team consists of: General Manager; the Commissioner of Social Services and Housing; the Treasurer; the Director of Social Housing; the Solicitor; the Secretary; and the Commissioner of Planning.

JAMES CROZIER

PETER SMITH

The Social Housing Division, one of four divisions within the Department of Social Services, acts as the operational arm of the Peel Non-Profit Housing Corporation and maintains three sections: planning and development; construction; and property management. The Social Housing Division operated in 1981 with a staff of seventeen persons excluding project superintendents. The 1982 budget, approved in December 1981, indicates an expansion of that staff to 30 persons.

# 1981 Financial Statements

## INDEX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## AUDITORS' REPORT

To the President and Members,
Peel Non-Profit Housing Corporation.

We have examined the balance sheet of the Peel Non-Profit Housing Corporation as at December 31, 1981, the statements of revenue and expenses — housing and administrative, reinvested earnings, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1981 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of determining depreciation and reserves as explained in the summary of significant accounting policies, on a basis consistent with that of the preceding year.

Touche Ross & Co.

Mississauga, Ontario
June 9, 1982

Touche Ross & Co.
Chartered Accountants

# STATEMENT OF REVENUE AND EXPENSES — HOUSING AND ADMINISTRATIVE OPERATIONS

| | Year ended December 31, 1981 | 1980 (Restated) |
|---|---|---|
| **OPERATING REVENUE — HOUSING** | | |
| Rental income | $ 674,327 | $ 192,400 |
| Government grants | | |
| Provincial rent reduction and supplement grants | 128,522 | 125,020 |
| Federal grants for interest writedown | 427,856 | — |
| Sundry income | 30,636 | 5,325 |
| | 1,261,341 | 322,745 |
| **OPERATING EXPENSES — HOUSING** | | |
| Interest on mortgages | 832,860 | 170,431 |
| Municipal taxes | 101,887 | — |
| Insurance | 7,807 | 3,211 |
| Depreciation | 15,854 | 3,634 |
| Replacement reserve contributions | 28,254 | 5,629 |
| Repairs and maintenance | 48,426 | 9,163 |
| Utilities | 74,079 | 33,240 |
| Administrative overhead | 70,771 | 31,965 |
| Other | 55,199 | 20,929 |
| | 1,235,137 | 278,202 |
| | 26,204 | 44,543 |
| **ADMINISTRATIVE REVENUE** | | |
| Recoveries from capital projects | 590,058 | 220,425 |
| Investment income (net) | 42,115 | — |
| Sundry income | 1,611 | 8,112 |
| | 633,784 | 228,537 |
| **ADMINISTRATIVE EXPENSES** | 441,319 | 233,989 |
| | 192,465 | (5,452) |
| **NET EARNINGS FOR THE YEAR** | $ 218,669 | $ 39,091 |

*See accompanying summary of significant accounting policies and notes to financial statements.*

# BALANCE SHEET

| | As at December 31, 1981 | 1980 (Restated) |
|---|---|---|
| **ASSETS** | | |
| Current Assets | | |
| Short-term investment — Region of Peel | $ — | $ 310,686 |
| Accounts receivable | 144,176 | 23,919 |
| Prepaid expenses | 9,234 | 2,613 |
| | 153,410 | 337,218 |
| Income-Producing Property (Note 1) | 11,519,958 | 2,150,666 |
| Income-Producing Property Under Construction (Note 2) | 12,216,947 | 5,694,737 |
| Development Costs (Note 3) | 668,942 | 241,128 |
| | $24,559,257 | $8,423,749 |
| **LIABILITIES AND EQUITY** | | |
| Current Liabilities | | |
| Short-term loan — Region of Peel | $ 953,863 | $ — |
| Accounts payable and accrued liabilities | 4,326,708 | 599,128 |
| Current portion of mortgages payable | 24,925 | 3,929 |
| Rental deposits | 137,109 | 1,205 |
| Other | 72,234 | — |
| | 5,514,839 | 604,262 |
| Mortgages Payable on Income-Producing Property (Note 4) | 11,223,157 | 2,152,872 |
| Construction Loans Payable (Note 5) | 7,457,352 | 5,549,629 |
| Equity | | |
| Contributed capital | 96,452 | 96,452 |
| Reinvested earnings | 231,698 | 13,029 |
| Reserve for replacement of capital equipment (Note 6) | 35,759 | 7,505 |
| | 363,909 | 116,986 |
| | $24,559,257 | $8,423,749 |

On behalf of the Board

President

Treasurer

# STATEMENT OF REINVESTED EARNINGS

| | Year ended December 31, 1981 | 1980 |
|---|---|---|
| Balance at the beginning of the year | | |
| As previously reported | $ (41,782) | $ (36,330) |
| Prior period adjustments (Note 7) | 54,811 | 10,268 |
| As restated | 13,029 | (26,062) |
| Net earnings for the year | 218,669 | 39,091 |
| Balance at the end of the year | $ 231,698 | $ 13,029 |

# STATEMENT OF CHANGES IN FINANCIAL POSITION

| | Year ended December 31, 1981 | 1980 (Restated) |
|---|---|---|
| **SOURCE OF FUNDS** | | |
| Net earnings for the year | $ 218,669 | $ 39,091 |
| Add charges not requiring current cash outlay: | | |
| Depreciation | 17,101 | 3,634 |
| Replacement reserve contributions | 28,254 | 5,629 |
| Funds provided from operations | 264,024 | 48,354 |
| Mortgages secured on income-producing property | 9,086,139 | 165,604 |
| Construction loans secured on income-producing property under construction (net) | 1,907,723 | 5,080,379 |
| Federal government grants received for construction of income-producing property | 925,581 | 348,219 |
| | 12,183,467 | 5,642,556 |
| **USE OF FUNDS** | | |
| Additions to income-producing property | 10,097,495 | 5,865 |
| Additions to income-producing property under construction | 6,736,689 | 5,486,749 |
| Investment in property under development | 427,814 | 192,819 |
| Reduction in mortgages payable | 15,854 | 3,634 |
| | 17,277,852 | 5,689,067 |
| Increase (decrease) in working capital | $ (5,094,385) | $ (46,511) |

*See accompanying summary of significant accounting policies and notes to financial statements.*

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

December 31, 1981

Peel Non-Profit Housing Corporation (the "Corporation") was incorporated without share capital under the laws of Ontario in 1976 and commenced active operations in 1978.

All housing projects administered by the Corporation are subject to the terms of Tripartite Agreements (the "Agreement(s)") with Canada Mortgage and Housing Corporation and the Ontario Ministry of Housing. The Agreements provide the basis for:

(a) rental rates, tenant selection and general program regulations;
(b) financial contributions to the projects;
(c) budget preparation and approval; and,
(d) reporting results of project operations.

The Corporation follows generally accepted accounting principles with the exception of certain specific accounting principles prescribed under the Agreements which are described elsewhere herein.

**Income-Producing Property**

Rental property, completed and under construction, includes land, buildings and equipment and is recorded at cost, net of any Federal or Provincial government grants or contributions. For financial reporting purposes, final completion of the construction phase for rental properties is defined as the interest adjustment date on the mortgage secured to finance the housing project, at which time the costs of rental properties are transferred from income-producing property under construction to income-producing property. The interest adjustment date represents the effective date for commencement of mortgage payments and receipt of government subsidies.

**Depreciation**

In 1981 the Corporation adopted the depreciation policy for rental property prescribed in the Agreements. Under this policy, the cost of land, buildings and equipment is depreciated over the terms of the mortgages secured to finance such assets and the annual charge for depreciation is equal to the annual principal repayments on these mortgages. This change in accounting policy is consistent with the requirement to establish a reserve for replacement of capital equipment as noted elsewhere herein.

The retroactive adoption of this policy had the effect of reducing the provision for depreciation expense on the Knightsbridge project for the years 1979 and 1980 as set out in Note 7, "Prior Period Adjustments".

Depreciation on vehicles is charged to operations based on the sum-of-the-years' digits method whereby the cost of the assets, net of a 15% salvage value, is fully depreciated over a useful life of five years.

**Reserve for Replacement of Capital Equipment**

In 1981 the Corporation adopted the replacement reserve policy for operating projects prescribed in the Agreements. Maximum annual contributions to this reserve are determined on a project by project basis by Canada Mortgage and Housing Corporation or the Ontario Ministry of Housing. Reserve contributions relating to the Knightsbridge project for the years 1979 and 1980 are reflected in these financial statements as a prior period adjustment (refer to Note 7).

**Development Costs**

Costs incurred on potential housing projects are categorized as development costs until project approval is obtained from the Ontario Ministry of Housing and the Board of Directors for the Corporation. At that time, costs are transferred to income-producing property under construction. In the event that construction of a project does not proceed, the applicable

development costs are written off against contributed capital.

**Capitalization of Carrying Costs**

The Corporation capitalizes direct carrying costs such as interest on construction loans, realty taxes and other related costs to property held for and under development and income-producing property under construction. The portion of administrative expenses which is considered applicable to properties under development or under construction is also capitalized.

The Ontario Ministry of Housing has established certain guidelines for capitalizing interest earned or expended on capital projects after the interest adjustment date. Under these guidelines, the Corporation is required to capitalize interest expense on short-term loans secured to finance capital projects which are not completely funded due to timing differences between disbursements and mortgage advances. Similarly, interest earned on the short-term investment of surplus funds of capital projects is also capitalized.

**Short-Term Investment/Loan — Region of Peel**

Surplus funds of the Corporation are invested by The Regional Municipality of Peel (the "Region of Peel"). Interest received on such investments is based on the average monthly rates of return earned by the Region of Peel.

Similarly, the Corporation obtains funds from the Region of Peel to finance any temporary deficit in funds. Interest expense on such loans is based on the average monthly cost of borrowing experienced by the Region of Peel.

**Recovery of Administrative Expenses**

Administrative expenses are allocated to capital projects based on a maximum of 2% of the estimated capital costs of the project. The Corporation recovers administrative expenses from operating projects up to a maximum of 6% of gross expenses for each project.

**Rental Deposits**

Rental deposits held in trust for residents of the Corporation's housing projects are reported on the Balance Sheet under the heading "Rental deposits" and are transferred to operations as leases are terminated. Section 85(2) of the Landlord and Tenant Act requires the Corporation to pay interest on these deposits at the rate of 6% per annum. Interest expense on rental deposits is included in the Statement of Revenue and Expenses — Housing and Administrative Operations under the heading "Investment income (net)".

# NOTES TO FINANCIAL STATEMENTS

December 31, 1981

**1. Income-Producing Property**

A breakdown of income-producing property for the years 1981 and 1980 is set forth below:

| | As at December 31, 1981 | 1980 (Restated) |
|---|---|---|
| Rental Property | | |
| Land | $ 2,692,646 | $ 412,827 |
| Buildings | 8,685,252 | 1,698,750 |
| Equipment | 156,114 | 43,587 |
| | 11,534,012 | 2,155,164 |
| Less accumulated depreciation | 20,352 | 4,498 |
| | 11,513,660 | 2,150,666 |
| Vehicles | 7,545 | — |
| Less accumulated depreciation | 1,247 | — |
| | 6,298 | — |
| | $11,519,958 | $2,150,666 |

**2. Income-Producing Property Under Construction**

A breakdown of income-producing property under construction for the years 1981 and 1980 is set forth below:

| | As at December 31, 1981 | 1980 |
|---|---|---|
| Land | $ 3,462,597 | $2,673,204 |
| Buildings | 9,317,048 | 3,369,752 |
| | 12,779,645 | 6,042,956 |
| Less Federal government grants | 562,698 | 348,219 |
| | $12,216,947 | $5,694,737 |

During 1981 costs amounting to $9,370,309 (1980-nil) were transferred from income-producing property under construction to income-producing property to reflect the commencement of operations on two housing projects.

## 3. Development Costs

Accumulated costs incurred on potential housing and land development projects are set forth below:

| | As at December 31, 1981 | 1980 |
|---|---|---|
| Park Estates | $280,274 | $201,039 |
| Riverview Terrace | 152,445 | — |
| Mason's Landing | 99,813 | — |
| Rathburn Place | 91,764 | — |
| Peel Manor Campus | 39,257 | 26,627 |
| Hillside Park | 4,707 | — |
| Courthouse Lands | 682 | — |
| Other | — | 13,462 |
| | $668,942 | $241,128 |

## 4. Mortgages Payable on Income-Producing Property

Mortgages payable represent actual mortgage advances received at December 31, 1981 and 1980 as follows:

| | As at December 31, 1981 | 1980 |
|---|---|---|
| Knightsbridge<br>Mortgagee: Canada Mortgage and Housing Corporation<br>9½% due September 1, 2028 | $ 2,152,872 | $2,156,801 |
| Arcadia Glen<br>Mortgagee; Morguard Trust Company<br>11% renewable January 1, 1986 | 3,062,186 | — |
| Springmill Terrace<br>Mortgagee; Morguard Trust Company<br>12⅞% renewable August 1, 1986 | 6,033,024 | — |
| | 11,248,082 | 2,156,801 |
| Less current portion of mortgages payable | 24,925 | 3,929 |
| | $11,223,157 | $2,152,872 |

The mortgages are secured by a first charge on specific assets of the Corporation. The following table sets forth estimated principal repayments in respect of mortgages secured on income-producing property for the years subsequent to 1982. These repayments are based on anticipated mortgage requirements after receipt of estimated final mortgage draws.

| | Knightsbridge | Arcadia Glen | Springmill Terrace | Total |
|---|---|---|---|---|
| 1983 | $ 4,597 | $ 10,283 | $ 12,729 | $ 27,609 |
| 1984 | 4,972 | 11,445 | 14,421 | 30,838 |
| 1985 | 5,378 | 12,739 | 16,337 | 34,454 |
| 1986 | 5,816 | 14,178 | 18,508 | 38,502 |
| Subsequent to 1986 | 2,127,858 | 3,004,219 | 6,168,106 | 11,300,183 |
| | $2,148,621 | $3,052,864 | $6,230,101 | $11,431,586 |

Interest expense on the Knightsbridge mortgage is reported net of interest reduction grants from Canada Mortgage and Housing Corporation. Compliance with specific terms of the mortgage agreement and the Tripartite Agreement provide for a reduction in the effective interest rate paid by the Corporation from 9½% to 8% over the term of the mortgage.

The mortgages obtained from Morguard Trust Company to finance the Arcadia Glen and Springmill Terrace projects are eligible for Federal government grants which reduce the effective interest rate paid by the Corporation on these mortgages to a maximum of 2%. In 1981, the Corporation's requirements in respect of such grants amounted to $427,856 (1980-nil). As set out under the Agreements, the Corporation must repay that portion of Federal grants received during the year which exceeds the actual assistance required. This repayment is made to the Province of Ontario for subsequent disbursement to the Federal government. At December 31, 1981, the Corporation's net liability to the Province in respect of such grants amounted to $47,533.

## 5. Construction Loans Payable

Construction loans payable consist of advances in the amount of $7,457,352 which were received by the Corporation to finance projects under construction. When construction of the projects is complete, these advances will become secured mortgages.

The Corporation has entered into commitments for mortgage financing of projects under construction in the amount $19,762,333 at December 31, 1981. These funds will be used to finance construction of approved projects under the following mortgage terms:

| | Mortgage Term | Amount | Interest Rate |
|---|---|---|---|
| South Common Court Seniors' Project | 5 years | $ 4,929,888 | 13.975% |
| Middleton Way Project | 5 years | 8,116,286 | 18.875% |
| Riley Court Project | 5 years | 6,716,159 | 18.875% |
| | | $19,762,333 | |

## 6. Reserve for Replacement of Capital Equipment

As at December 31, 1981 and 1980 reserves for the replacement of capital equipment have been established for the following operating projects:

| | As at December 31, 1981 | 1980 (Restated) |
|---|---|---|
| Knightsbridge ($5,629 per annum to a maximum of $56,290) | $13,134 | $7,505 |
| Arcadia Glen ($11,200 per annum to a maximum of $112,000) | 11,200 | — |
| Springmill Terrace ($22,850 per annum to a maximum of $228,500) | 11,425 | — |
| | $35,759 | $7,505 |

Contributions to the reserve for the Knightsbridge project amounted to $1,876 in 1979 and $5,629 in each of the years 1980 and 1981. The contribution for 1979 was calculated on the basis of four months of operations. Contributions on behalf of the Arcadia Glen and Springmill Terrace projects commenced in 1981 and represent a full year and six months, respectively, of operation.

**7. Prior Period Adjustments**

Reinvested earnings of prior years have been restated to reflect the following adjustments relating to the years 1980 and 1979:

| | 1980 | 1979 |
|---|---|---|
| Knightsbridge project | | |
| Refund of property taxes | $39,810 | $ 9,777 |
| Reduction of depreciation expense | 4,914 | 2,527 |
| Reduction/(increase) in expenses for the reserve for replacment of capital equipment | (181) | 464 |
| Administrative expenses | | |
| Increase in professional and consulting fees | — | (2,500) |
| | $44,543 | $10,268 |

Property taxes paid to Canada Mortgage and Housing Corporation in 1980 and 1979 for subsequent disbursement to the City of Brampton were refunded to the Corporation, together with interest, in 1981. This refund reflects an exemption from the payment of property taxes on the Knightsbridge project for those years. Commencing January 1981, the Knightsbridge project has been added to the tax rolls and any property taxes owing by the Corporation after that date have been paid directly to the City of Brampton.

**8. Contractual Obligations**

As at December 31, 1981, the Corporation has entered into agreements to purchase properties and construct buildings in the amounts of $2,217,298 and $10,574,605, respectively. The Corporation has also entered into commitments for mortgage financing of these projects under the following mortgage terms:

| | Mortgage Term | Amount | Interest Rate |
|---|---|---|---|
| Rathburn Place | 5 years | $ 6,204,752 | 17.75% |
| Mason's Landing | 5 years | 7,426,040 | 17.75% |
| | | $13,630,792 | |

**9. Subsequent Events**

Subsequent to 1981, the Corporation entered into a construction contract and commitment for mortgage financing in the amount of $4,221,987 with respect to the Riverview Terrace project, for which land was purchased in 1981.

**10. Comparative Figures**

The comparative figures for 1980 have been reclassified where necessary to conform with the current year's presentation.

# Future Directions

The need for rental accommodation for families and senior citizens of low and moderate income is expanding rapidly in Peel. While the Peel Non-Profit Housing Corporation is responding actively to these needs, it is clear that demand will continue to surpass supply in the coming years. For this reason, the Corporation intends to continue a steady pace of development and to encourage government to assist the private sector to step-up its efforts in the provision of low cost accommodation.

The development of a balanced social housing program in Peel requires that the Region, through the Peel Non-Profit Housing Corporation, closely monitor the directions to be taken to ensure that appropriate management controls are in place. Foremost in the minds of the Directors and the staff is the need to develop an orderly program, recognizing that the real challenges in the future will be in the area of property management.

Building a solid base for the Corporation will ensure that the social housing program in Peel avoids many of the social concerns and tenant management issues that have created on-going problems in other areas.

Of specific interest to the Peel Non-Profit Housing Corporation is the development of a positive relationship with the Peel Regional Housing Authority. The management of waiting lists and the identification of need in the community can only be effectively achieved through joint planning, a process which is now underway.

During 1982 Peel Non-Profit Housing Corporation will proceed with the development of the Peel Manor Lands, in Brampton. This project, which consists of 123 private market homes and 300 non-profit housing units is a part of the overall development of the 48 acre site being undertaken by the Social Services Department of the Region.

Also, during 1982, the Corporation plans to develop projects in the Mississauga City Core area through the use of the proposal call technique.

Finally, a very important continuing activity of the Corporation is the assistance it provides to other divisions within the Social Services department in the development of care facilities for the elderly. In 1982 it is expected that approvals will be granted for the Renovations to Peel Manor Home for the Aged; design of the Bolton Nursing Home will commence; and the planning of the South Mississauga Campus — including a psychogeriatric component to the Sheridan Villa Home for the Aged — will be underway.

No doubt the future directions for Peel Non-Profit Housing Corporation will be as challenging as those of the first four years. With the support of the Region of Peel and the Directors of the Housing Corporation, Peel will continue to develop a positive program to meet identified need in the community.

Larry Taylor
President 1981

POOR

QUALITY

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